

# FACT SHEET

## Massachusetts Division of Health Care Finance and Policy

### Findings from the 2001 Massachusetts Employer Health Insurance Survey

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*Phone survey of over 1,000 private-sector Massachusetts establishments with 2 or more employees (single locations); sample stratified by size of establishment; administered from April through November 2001 by the Center for Survey Research at the University of Massachusetts for the Massachusetts Division of Health Care Finance and Policy (DHCFP).*

#### ***Offer Rates***

- 69% of employers in the Commonwealth offer their employees health insurance.
- 95% of employers with more than 50 employees offer coverage, versus 67% of employers with between 2 and 50 employees.
- Employers in metropolitan Boston and the northeast region of the state have the highest health insurance offer rates, 75% and 74% respectively. Sixty-nine percent of employers in central Massachusetts offer insurance and 68% in western Massachusetts offer insurance. Employers in the southeast region of the state have the lowest offer rate, 54%. Correspondingly, the southeast region of the state also had the highest uninsurance rate among adults, 10.1%, according to DHCFP's 2000 household survey.
- Employers with primarily low wage employees (less than \$20,000 annually) offer health insurance less frequently than others.
- 8% of employers that offer health insurance offer it only to the employee.
- 58% of employers that offer health insurance have a waiting period before new employees are covered. Approximately two-thirds (65%) of these employers have a waiting period that is greater than one month.

#### ***Take-Up Rate***

- 77% of Massachusetts employees who are offered health insurance by their employer actually enroll (or "take-up" coverage).

#### ***Characteristics of Employers' Health Plan with Most Employees Enrolled***

- Massachusetts employers reported that the average total premium for **individual** health coverage increased 19% over the previous twelve months from \$2985 to \$3545 annually. The average total premium for **family** health coverage (family of four) increased 15% over the previous twelve months from \$6686 to \$7716 annually.
- Employers kept the employee share of the premium for **individual** coverage constant from the prior year at 19% of the total premium; however, employers increased the employee share of the premium for **family** coverage from 25% to 27% of the total premium.
- These trends resulted in the employee cost for **individual** coverage increasing from \$578 to \$669 annually and the employee cost for **family** coverage increasing from \$1670 to \$2074 annually.
- The majority, 94%, of these plans provides some type of prescription drug coverage.

#### ***Employers Not Offering Coverage***

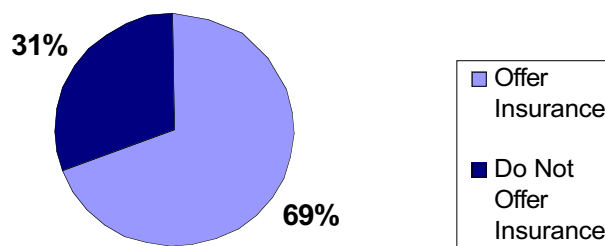
- 31% of employers reported that they do not offer their employees health insurance.
- The most important factors influencing an employer's decision not to offer insurance: premiums are too high and employees are covered under another health insurance plan such as Medicaid or a spouse's plan.
- Only 11% of employers that do not offer insurance reported that it was very likely they would begin to offer it in the next two years.

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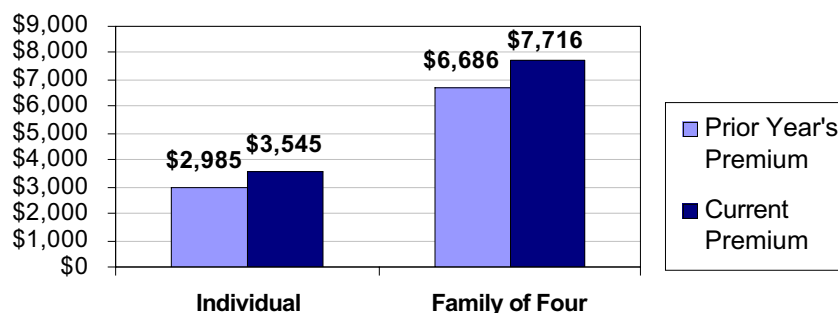
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Health Insurance Offer Rate Of Massachusetts Employers



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Average Total Annual Premium Cost of the Plan with the Most Employees Enrolled



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Average Annual Employee Premium Cost of the Plan with the Most Employees Enrolled

